

1 **SECTION 1-04, SCOPE OF THE WORK**
2 **May 28, 1996**

3 **1-04.1 Intent of the Contract**

4 This section is revised to read:

5
6 The intent of the contract is to prescribe a complete work. Omissions from the
7 contract of details of work which are necessary to carry out the intent of the
8 contract, or which are customarily performed, shall not relieve the Contractor from
9 performing the omitted work.

10
11 **1-04.1(1) Bid Items Included in the Proposal**

12 This section is added and reads as follows:

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14 The Contractor shall provide all labor, materials, tools, equipment, transportation,
15 supplies, and incidentals required to complete all work for the items included in
16 the proposal.

17
18 **1-04.1(2) Bid Items not Included in the Proposal**

19 This section is added and reads as follows:

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21 When the contract specifies work, and there is no bid item for that work, an
22 equitable adjustment will be made in accordance with Section 1-04.4 if that work
23 is not customarily specified as being included with or incidental to other bid items
24 in the contract.

25
26 **1-04.4 Changes**

27 This Section is supplemented with the following:

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29 The Contracting Agency has a policy for the administration of cost reduction
30 alternatives proposed by the Contractor. The Contractor may submit proposals
31 for changing the Plans, Specifications, or other requirements of the Contract.
32 These proposals must reduce the cost or time required for construction of the
33 project. When determined appropriate by the Contracting Agency, the Contractor
34 will be allowed to share the savings.

35
36 Guidelines for submitting Cost Reduction Incentive Proposals are available at the
37 Project Engineer's office. The actions and requirements described in the
38 guidelines are not part of the Contract. The guidelines requirements and the
39 Contracting Agency's decision to accept or reject the Contractor's proposal are
40 not subject to arbitration under the arbitration clause or otherwise subject to
41 litigation.

42
43 **1-04.6 Increased or Decreased Quantities**

44 This section is revised to read:

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46 Payment to the Contractor will be made only for the actual quantities of work
47 performed and accepted in conformance with the contract. When the accepted
48 quantities of work vary from the original bid quantities, payment will be at the unit
49 contract prices for accepted work unless the total quantity of any contract item,
50 using the original bid quantity, increases or decreases by more than 25 percent.
51 In that case that part of the increase or decrease exceeding 25% will be adjusted
52 as follows:

53
54 1. Increased Quantities.

55 Either party to the contract will be entitled to renegotiate the price for that
56 portion of the actual quantity in excess of 125% of the original bid

1 quantity except as limited elsewhere in Section 1-04.6. The price for
2 increase quantities will be determined by agreement of the parties, or,
3 where the parties cannot agree, the price will be determined by the
4 Engineer based upon the actual costs to perform the work, including a
5 reasonable markup for overhead and profit.
6

7 2. Decreased Quantities.

8 Either party to the contract will be entitled to an equitable adjustment if
9 the actual quantity of work performed is less than 75% of the original bid
10 quantity except as limited elsewhere in Section 1-04.6. The equitable
11 adjustment in the case of decreased quantities shall be based upon any
12 increase or decrease in costs due solely to the variation of the estimated
13 quantity.
14

15 The following limitations shall apply to the adjustment:

- 16
- 17 1. The equipment rates shall be actual cost but shall not exceed the rates
18 set forth in the AGC/WSDOT Equipment Rental Agreement in effect at
19 the time the work is performed as referred to in Section 1-09.6.
 - 20 2. No payment will be made for extended or unabsorbed home office
21 overhead and field overhead expenses to the extent that there is an
22 unbalanced allocation of such expenses among the contract bid items.
 - 23 3. No payment for consequential damages or loss of anticipated profits will
24 be allowed because of any variance in quantities from those originally
25 shown in the proposal form, contract provision, and contract plans.
 - 26 4. No adjustment in the unit contract prices will be made for any item
27 unless the increase or decrease in quantity results in a change of
28 \$10,000 or more as measured by the original bid quantities and unit
29 prices for the item.
 - 30 a. For increased quantities, the adjustment will only apply to that
31 portion of the increase that exceeds: (1) \$10,000 or (2) the dollar
32 value of 25 percent of the original bid quantity, whichever is greater.
 - 33 b. For decreased quantities, the total payment for any item will be
34 limited to not more than 75 percent of the amount originally bid for
35 the item.
36

37 When ordered by the Engineer, the Contractor shall proceed with the work
38 pending determination of the cost or time adjustment for the variation in quantities.
39

40 The Contracting Agency will not adjust for increases or decreases if the
41 Contracting Agency has entered the amount for the item in the proposal form only
42 to provide a common proposal for bidders.